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C O N F I D E N T I A L JERUSALEM 002186

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR  
GOLDBERGER/HOLMSTROM/LENTZ; PRM FOR PRM/ANE; NSC FOR  
PASCUAL; PLEASE PASS TO USAID FOR KUNDER/MCCLOUD/BORODIN

E.O. 12958: DECL: 12/02/2013

TAGS: [ECON](#) [EAID](#) [EAGR](#) [ETRD](#) [PREL](#) [KWBG](#) [IS](#)

SUBJECT: GAZA FARMERS HOLD OUT HOPE FOR EXPORTS TO EUROPE

REF: JERUSALEM 2567

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

11. (C) Despite the fact that there have been no exports from Gaza since January, Gaza farmers are preparing produce for export to Europe via Israel as early as December 10. USAID contractors said that farmers could earn up to USD eight million this year, if the GOI allows shipment out of Gaza. The GOI permitted a limited number of shipments last season. Office of the Quartet Representative (OQR) members told Econoff on December 2 that Tony Blair raised this issue in meetings with the GOI last month, urging the GOI to allow exports this season. End summary.

USD 8 million of Gaza produce for export  
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12. (SBU) USAID agriculture contractors report that Gaza farmers will begin to harvest strawberries and carnations in early December, in hopes of exporting to European markets. Gaza farmers could earn USD 4.5 million from strawberry exports this season, while carnation exports could earn them an estimated USD 2.3 million, according to USAID contractors. (Note: During the 2007-2008 season, Gaza farmers were able to export less than five percent of their strawberry harvest and 20 percent of their flower harvest due to GOI export restrictions. End note.) Gaza farmers planted half of what they did last year to limit planting costs, fearing that the GOI may not permit exports this season.

13. (SBU) In addition, Gaza farmers will harvest bell peppers and tomatoes mid-December to March. If the peppers and tomatoes are exported to European markets, Gaza farmers could fetch USD 1.1 million this season, according to USAID contractors. Gaza farmers were not allowed to export their bell peppers and tomatoes during the 2007-2008 season. If exports are not allowed or are restricted, farmers will be forced to sell their goods in Gaza, as they did last season, for the fraction of the export price.

Blair presses the GOI on Gaza exports  
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14. (C) An OQR member told Econoff on December 2 that Tony Blair discussed Gaza agriculture exports with the GOI during his most recent trip to the region in November. Blair reportedly asked GOI officials to allow farmers to ship their "grown for export" produce to European markets this season. OQR contacts say that the GOI has not signaled whether it will allow the exports.

WALLES